

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE & TAXES
VYAPAR BHAWAN, I.P. ESTATE, NEW DELHI-110002
(POLICY & RESEARCH BRANCH)

File No: DTT-D011/11/2026-Policy -TT- 84-94

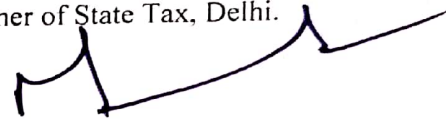
Dated: 09/01/2026

Circular No. 01/2025-GST of State Tax
(Ref. Circular No. 244/01/2025 GST of Central Tax)

Sub: Regularizing payment of GST on co-insurance premium apportioned by the lead insurer to the co-insurer and on ceding / re-insurance commission deducted from the reinsurance premium paid by the insurer to the reinsurer-reg..

Central Board of Indirect Taxes and Customs (CBIC) has issued the above referred circular. For the uniformity, it has been decided that the said circular issued by the CBIC is being made applicable, mutatis mutandis, in implementation of the DGST Act, 2017. Copy of the referred CBIC circular is attached herewith.

This Circular is clarificatory in nature. Difficulty if any, in the implementation of this Circular may be brought to the notice of the office of the Commissioner of State Tax, Delhi.

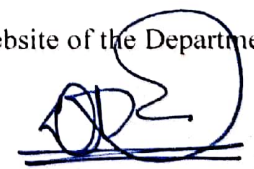

(NEERAJ SEMWAL)
COMMISSIONER (STATE TAX)

File No: DTT-D011/11/2026-Policy -TT- 84-94

Dated: 09/01/2026

Copy to:-

1. Spl. Commissioner-I & II, Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi-02.
2. Addl. Commissioner, Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi-02.
3. Joint Commissioner, Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi-02.
4. PS/PA to the Commissioner, Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan I.P. Estate, New Delhi-02.
5. All Assistant Commissioner/GSTOs Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi-02 through Zonal In charge.
6. The President/General Secretary, Sales Tax Bar Association (Regd.), Vyapar Bhawan, I.P. Estate, New Delhi-02.
7. Sr. System Analyst, IT for uploading the circular on website of the Department.
8. Guard File.


(DINESH KUMAR GONDYAN)
ASSISTANT COMMISSIONER(P&R)

F. No. CBIC-190354/2/2025-TO(TRU-II)-CBEC

**Government of India
Ministry of Finance
Department of Revenue
(Tax Research Unit)**

North Block, New Delhi
Dated the 28th of January, 2025

To,

**The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/
Commissioners of Central Tax (All) / The Principal Director Generals/ Director Generals
(All)**

Madam/Sir,

Subject: Regularizing payment of GST on co-insurance premium apportioned by the lead insurer to the co-insurer and on ceding /re-insurance commission deducted from the reinsurance premium paid by the insurer to the reinsurer – reg.

Based on the recommendations of the GST Council in its 53rd meeting held on 22nd June, 2024, at New Delhi, and in exercise of the powers conferred under section 168(1) of the Central Goods and Services Tax Act, 2017, the following clarification is being issued through this Circular:

2. On the recommendations of the 53rd meeting of the GST Council held in New Delhi on 22nd June, 2024, the following activities or transactions were included in Schedule III of the CGST Act, 2017 as activities or transactions which shall be treated neither as a supply of goods nor as a supply of services:

- a) Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays the Central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.
- b) Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer,

subject to the condition that the Central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.

The above provisions were enacted vide Finance (No. 2) Act, 2024 and have been brought into force on 01.11.2024 vide Notification No. 17/2024-Central Tax dated 27.09.2024.

3. In its 53rd meeting, the GST Council further recommended that the payment of GST on the activities or transactions, as specified in paragraph 2 above, may be regularized for the past period, i.e. from 01.07.2017 to the effective date of amendments in the CGST Act, , on '*as is where is*' basis.

4. Thus, as recommended by the 53rd GST Council, the payment of GST on the activities or transactions specified in paragraph 2 above is regularized for the period 01.07.2017 to 31.10.2024, on '*as is where is*' basis.

5. Difficulties, if any, in the implementation of this circular may be brought to the notice of the Board.

Yours sincerely,

(Sachin Jain)
Joint Secretary, TRU-II